

1 lawyers to work out whatever they felt was legal to
2 release Mr. Philip Greenberg of his obligation and
3 invite Mr. Goldberg in.

4 Q. Was Mr. Levine the primary contact with
5 Mr. Goldberg?

6 A. Yes.

7 Q. Now there is also another agreement
8 drafted at the same time which had the name Alan
9 Potamkin in it, and it provided Mr. Potamkin, in
10 draft form now I'm talking about, with an option to
11 purchase 30 shares of stock. Now my question to you
12 is, who introduced Mr. Potamkin into the Jupiter
13 Broadcasting situation as a potential buyer?

14 A. I believe Michael Goldberg.

15 Q. Now Mr. Goldberg did not go forward with
16 the purchase of his shares; isn't that correct?

17 A. That's correct.

18 Q. Do you know why?

19 A. No. I don't.

20 Q. Do you know why the Goldberg agreement
21 was drafted for the outright purchase of the 30
22 shares and the Potamkin agreement was drafted as an
23 option to purchase 30 shares, do you know why there
24 was a difference between the two?

25 A. Strictly with the lawyers.



1 A. Why?

2 Q. Why, yes.

3 A. Many reasons. One, I was unemployed.

4 Two, my cable station just went down the tubes.

5 Q. Okay.

6 A. This was taking a lot of time and effort
7 keeping it going and operating it, and I felt that I
8 needed some type of compensation in the work that I
9 was doing, signing stuff and getting checks -- I
10 felt I needed some type of compensation.

11 Q. Now, I believe, in the second sentence
12 there it states -- well, first of all, in the first
13 sentence it states that the corporation has
14 authority to pay you a salary of \$500 per month; is
15 that correct?

16 A. Correct.

17 Q. And in the second sentence it says this
18 salary may be made retroactively for the period
19 commencing December 1, 1989?

20 A. Correct. I see it.

21 Q. Now have you received any payment under
22 this section?

23 A. Yes.

24 Q. And was that made retroactive to
25 December 1, 1989?



1 A. Yes.

2 Q. While I'm looking for that, let's just --
3 if we could turn in the same document that you have
4 in front of you -- let's see, no, I'm sorry, it's
5 not right --

6 In the document that I have in
7 front of me, it will be easier if you have it in
8 front of you. In that document, on page nine, right
9 above the buy-back provisions is a provision. It's
10 paragraph 7 entitled additional financing, do you
11 see that?

12 A. Yes, sir.

13 Q. That paragraph, that was not in the
14 original shareholders' agreement; isn't that
15 correct?

16 MR. BELISLE: There was a heading
17 to that effect, wasn't there?

18 MR. CARR: In the original --

19 MR. BELISLE: Wasn't there?

20 Maybe -- my recollection may be --

21 MR. CARR: You could be right. Why
22 don't we --

23 MR. BELISLE: Yes. Paragraph 10
24 was additional financing. I'm not going to
25 tell you it's the same paragraphs, but it was



1 (b), it says, in no event shall the arbitrators
2 consider in the valuation process whether the stock
3 is voting or nonvoting or whether it's controlling
4 or non-controlling, and my question is, who
5 suggested what that language be in there?

6 A. I would say the lawyers did, but it
7 didn't matter to me at the time. It still doesn't
8 matter to me at the time.

9 Q. So it doesn't matter whether -- Okay.

10 A. It just doesn't matter to me whether I
11 have nonvoting stock or voting stock. I wanted
12 them, wherever possible, to take me out so I can
13 have a little fun.

14 Q. Paragraph (c), which is the bottom of
15 page 14, refers to any debt you might owe being
16 offset against any amount you might receive under
17 this valuation process. My question is, do you have
18 any debt to the corporation which would be offset?

19 A. Do I have any debt to the corporation?

20 Q. Right. Do you owe the corporation
21 anything?

22 A. My hard work. In the process of the 500
23 bucks, I think I made a loan from the corporation
24 toward my car or something like that.

25 Q. Now when the corporation was formed and



1 the shares were purchased -- and if you need to look
2 at them, I have some election forms here, where each
3 of the stockholders say I agree to purchase so many
4 shares of stock for so much money, and you then paid
5 into the corporation a check for your shares of
6 stock; is that correct?

7 A. I haven't paid them yet.

8 Q. Okay. Have you been required to put any
9 other funds into the corporation?

10 A. No.

11 Q. Now in 16(b) again, still on page 14,
12 it's that long paragraph there which gives that
13 formula that I was talking about. I have to admit I
14 had to sit there and start thinking about numerators
15 and denominators, but stopped. Now I believe it
16 states that, as we already said, they ignore the
17 difference between voting and nonvoting and --

18 A. What are you looking at, Mr. Carr?

19 Q. Right in the middle of page 14 there.
20 Let me just look for a phrase that I -- Now when
21 this fair market valuation is done under this option
22 of yours to sell your stock, when they're reaching
23 the valuation, do they, do the arbitrators -- And I
24 think probably for clarity I ought to explain that
25 this language requires that the value of your stock



1 A. Yes. It was something that I wanted.

2 Q. On page 13, which is paragraph 14, which
3 is entitled construction of station, and this is in
4 the second revised shareholders' agreement, do you
5 see it there?

6 A. Yes, sir. I see it.

7 Q. Paragraph 14 states that if the station
8 is not constructed within 18 months after grant of
9 the construction permit, that you will exchange all
10 of your shares of voting stock for an equal number
11 of shares of nonvoting stock; is that correct?

12 A. That's correct.

13 Q. Who suggested this language, how did that
14 language get in there?

15 A. I don't know. I guess in the negotiation
16 with the lawyers.

17 Q. It also states in the last phrase there,
18 it states that Paul J. Levine shall replace Charles
19 Reid as corporation's president, do you see that?

20 A. Yes.

21 Q. I was going to ask you the same question,
22 how did that get in there, is your answer the same?

23 A. Through the lawyers.

24 Q. I'm not sure I asked earlier, have you
25 ever had any written correspondence with Philip



1 A. Yes.

2 Q. There's a list from (a) through (f) and I
3 wanted you to look at, for example, (e),
4 corporation's president, in essence, shall not, I'll
5 quote this, obligate the corporation in amounts
6 totaling in excess of \$200. Now who suggested that
7 that language be in there?

8 A. Lawyers.

9 Q. When you say the lawyers, are you
10 referring to Mr. Belisle again?

11 A. Yes.

12 Q. Was this language suggested by Mr. Levine
13 as well?

14 A. I have no idea.

15 Q. Now on the application of Jupiter
16 Broadcasting Corporation that was filed with the
17 commission, how was that application prepared?

18 A. Prepared by my lawyers.

19 Q. And the various responses to the
20 questions in there, how were those responses -- Did
21 you sit and consult with your lawyer when that was
22 being done or did they send you a form to sign, how
23 was that accomplished?

24 A. Can I see the application please?

25 Q. Sure.



1 MR. BELISLE: I think I have a copy
2 of it right here.

3 MR. CARR: All right.

4 THE WITNESS; The application was
5 prepared by the - by my attorneys and I signed
6 them. A lot of stuff lawyers send you, they do
7 it for you and send it to, to the FCC. I
8 wanted to make sure my signature was there,
9 yes, I signed this.

10 BY MR. CARR:

11 Q. Now Exhibit 1, which is in response to
12 question seven, that's section two, page three, and
13 that's the exhibit, any party proposing to divest in
14 the event of a grant, and in Exhibit 1 you state
15 that you will divest this cable radio station which
16 we have talked about before, do you see that?

17 A. Yes.

18 Q. In paragraph 8(a) where it talks about
19 other mass media interests --

20 MR. BELISLE: Section two?

21 MR. CARR: Yes, section two, page
22 three. It's the next question down. I'm
23 sorry. I could have kept you there.

24 BY MR. CARR:

25 Q. It talks about do any individuals have an



1 he's saying I will pay my pro rata share of whatever
2 the difference is if the costs go over \$240,000.

3 Now what is your understanding as
4 to what happens to the other four-tenths of that
5 cost, how is that met?

6 A. I don't know.

7 Q. Now in that same paragraph 9, it states
8 that, again, as I already stated, if the cost
9 exceeds 240,000, Alan Potamkin agrees to guaranty
10 loans from the bank. Now there is no language in
11 there about any of the other shareholders agreeing
12 to guaranty any loans, is that the case, you don't
13 have to guaranty any loan if the costs exceeded 240
14 and more money had to come in?

15 A. According to what it says, I'm not
16 obligated.

17 Q. Okay. I saw among the documents that
18 were produced letters from you to the bank ordering
19 them to release funds payable, usually it seemed to
20 Mr. Belisle's firm, so I assume that Jupiter
21 Broadcasting Corporation has a corporate bank
22 account and it's at Barnett Bank?

23 A. I don't know if it's a corporate bank
24 account. I think they basically issue the funds
25 out. How it works, Joe says, Chuck, we need X



ATTACHMENT B

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

IN RE: Applications of

MM Docket
No. 92-114

Robert B. Taylor
Jupiter, Florida

FCC File No.
BRH-880926UJ

For Renewal of Station WTRU (FM)

Jupiter Broadcasting Corporation
Jupiter, Florida

FCC File No.
BPH-890103MD

For a Construction Permit
-----/

DEPOSITION OF PAUL LEVINE, ESQ.

Taken before Barbara J. Shandell,
Court Reporter, Notary Public in and for the State
of Florida at Large, pursuant to Notice of Taking
Deposition filed by the applicants in the above
cause.

- - -

**CERTIFIED
COPY**

Wednesday, July 29, 1992
1400 Centrepark Boulevard, Suite 960
West Palm Beach, Florida
4:05 - 5:30 p.m.



West Palm Beach
North Palm Beach
Boca Raton

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1 **Appearances:**

2 **On Behalf of Robert B. Taylor:**

3 LAW OFFICE OF RICHARD CARR
4 5528 Trent Street
5 Chevy Chase, Maryland 20815-0000
6 (301) 656-7053
7 BY: RICHARD CARR, ESQ.

8 **On Behalf of Jupiter Broadcasting**
9 **Corporation:**

10 LEIBOWITZ & SPENCER
11 Amerifirst Building, Suite 1450
12 One Southeast Third Avenue
13 Miami, Florida 33131-1710
14 (305) 530-1322
15 BY: JOSEPH A. BELISLE, ESQ.

16 - - -

17 I N D E X

18 - - -

19 **WITNESS:** DIRECT CROSS REDIRECT RECROSS

20 **PAUL LEVINE, ESQ.**

21 By Mr. Carr 3



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P R O C E E D I N G S

- - -

Thereupon,

PAUL LEVINE, ESQ.,

being by the undersigned Notary Public first duly
sworn, responded as follows:

THE WITNESS: I do.

DIRECT EXAMINATION

BY MR. CARR:

Q. Why don't you state your name and address
for the record.

A. Paul Levine, 6841 Southwest 89th Terrace,
Miami.

Q. And is it correct that you are an
attorney?

A. Yes.

Q. And what field do you practice in?

A. For roughly 17 to 18 years I was a civil
litigator. I stopped the active practice of law in
January 1991.

Q. Now prior to the filing of the Jupiter
Broadcasting Corporation application, it's correct,
is it not, that you made contacts with Mr. Robert
Taylor's Communications' -- his counsel, to inquire
about buying the Jupiter radio station?



1 A. Correct.

2 Q. Were those contacts by telephone?

3 A. Yes.

4 Q. Do you recall how many times you talked
5 to him?

6 A. No.

7 Q. And when you made those contacts, were
8 you acting on behalf of some group?

9 A. Not a group, but at least myself and one
10 other person.

11 Q. Who was the other person?

12 A. Philip Greenberg.

13 Q. And how did you and Philip Greenberg come
14 to the point where you decided that you were
15 interested in purchasing these stations?

16 A. Philip had been interested in radio. I
17 had been his lawyer and friend, and he was pursuing
18 other stations, and I informed him about what I
19 thought at the time was the owner's desire to sell
20 those stations.

21 Q. And so was a decision made between the
22 two of you, for you to go forward and make contact?

23 A. I believe so.

24 Q. Now Mr. Greenberg doesn't live in this
25 area; is that correct?



1 A. Not any longer.

2 Q. But he used to?

3 A. Yes.

4 Q. Was he living in the area at that time?

5 A. My recollection is, and the time frame is
6 somewhat fuzzy to me, that he had already purchased
7 a home outside of Louisville, but I'm not sure if he
8 was already an official Kentucky resident. He may
9 have lived in both places in 1988. These days he
10 lives in Kentucky.

11 Q. These communications to Mr. Taylor,
12 Communications' counsel, were in 1987; is that
13 correct?

14 A. I'm not certain. I believe I just said
15 1988, so that's -- Your question confused me.

16 Q. Now was the interest in these particular
17 stations based on the fact that they were off the
18 air?

19 A. Interest was based on the fact that it
20 had come to my attention that they were off the air,
21 and the scuttlebutt in the South Florida community
22 was that the owner, Mr. Taylor either had no
23 interest in operating them or that he wanted to sell
24 them or something to that effect.

25 Q. Now did you obtain any -- as part of your



1 going forward on this matter did you obtain any
2 appraisals of what those stations would be worth?

3 A. No. Not an appraisal.

4 Q. Did you contact any media brokers to get
5 any value estimates?

6 A. Yes.

7 Q. Do you recall who the broker was?

8 MR. BELISLE: Yes, you know --

9 THE WITNESS: I'll answer the
10 question because I don't, but I remember from
11 telephone calls --

12 MR. BELISLE: We're basically
13 exploring the structure of the applicant and
14 diversification. I understand that most of
15 your questions will have been directed that
16 way, but it just seems to be irrelevant, the
17 value of the station.

18 MR. CARR: Well, I wasn't going to
19 ask the value. I was trying to find out what
20 he did in steps. I wasn't going to say what
21 valuation did you get. That was not going to
22 be one of my questions.

23 BY MR. CARR:

24 Q. Did you obtain any analysis of the
25 demographics of the market or anything like that?



1 A. Is the question confined to this period
2 with Mr. Greenberg?

3 Q. This period with Mr. Greenberg, this
4 early period prior --

5 A. Right. I don't think so.

6 Q. Did you take any steps to try and find
7 out why the stations were dark?

8 A. Well, I first tried to contact Mr. Taylor
9 and I attempted by calling the last telephone number
10 for the stations, which had a recording on. The
11 telephone company had a recording that gave the
12 telephone number in Fort Wayne, Indiana, which I
13 called several times and I couldn't get Mr. Taylor
14 to return my phone calls. I didn't say I was
15 calling about purchasing the station. He just
16 wouldn't return my phone calls.

17 I tried to locate his residence in
18 Florida and I don't recall what happened there. And
19 subsequently, yes, because the way that I got to
20 Mr. Bayes was by getting FCC documents. So the
21 answer to your question is yes.

22 Q. How did you get the FCC documents?

23 A. I can't recall if I got them through my
24 FCC lawyers or how, but one way or another.

25 Q. Were you using Leibowitz and Spencer at



1 that time?

2 A. I can't recall exactly when I began using
3 them.

4 Q. Now you said that you attempted to
5 contact, did you ever succeed in contacting Mr.
6 Taylor by telephone?

7 A. I don't believe so.

8 Q. How did you first make acquaintance with
9 Charles Reid?

10 A. At some point when it was -- when I had
11 decided with Mr. Greenberg to apply for the license
12 for the station, I contacted Matt Leibowitz and
13 wanted to retain him, or at least to discuss
14 retaining him for that effort. Sometime after that
15 first call I received a telephone call either from
16 Matt or from Mr. Belisle, I can't remember which,
17 informing me that Chuck Reid, who at that time I did
18 not know had also contacted them, and either Mr.
19 Leibowitz or Mr. Belisle said I did speak to Mr.
20 Reid to see if we were going to be teammates or
21 adversaries basically.

22 Q. Did you contact him by telephone?

23 A. I'm sure I did.

24 Q. Did you have any personal meetings with
25 him?



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1 A. Yes.

2 Q. Now at these meetings with Mr. Reid was
3 there a discussion about joining forces to --

4 A. Yes.

5 Q. -- file an application?

6 A. Yes. I think the discussions and the
7 whole purpose was to see if we could join forces, if
8 we had common interest and could work together in
9 whatever fashion and form one entity, or whether we
10 would have separate entities competing against each
11 other, or whether one would go ahead and one
12 wouldn't in the beginning. There was at least those
13 three different possibilities.

14 Q. Was there a discussion about bringing
15 anyone else into the picture?

16 A. Yes.

17 Q. Now am I correct that Mr. Reid was not in
18 a position to furnish any funds to the station
19 project?

20 A. That was my understanding.

21 Q. Did he tell you that he did not have
22 funds?

23 A. Yes.

24 Q. And is it correct that you yourself were
25 not in a position to totally fund the station alone?



1 A. That would also be correct.

2 Q. So therefore, it was necessary to obtain
3 a participant who would be able to provide funding;
4 is that correct?

5 A. Either that or sufficient borrowing, one
6 or the other, yes.

7 Q. And this person, I take it, was Philip
8 Greenberg?

9 A. Correct.

10 Q. You said you had known him for a long
11 time, how long have you known him?

12 A. I don't know if I said that, but I have
13 known him for a long time. I met Philip on an
14 airplane coming home from an Ohio State/Penn State
15 football game, say, 12 years.

16 Q. And has this been a strictly social kind
17 of relationship?

18 A. No. I have handled legal matters for
19 him.

20 Q. That was going to be my next question.

21 A. Yes.

22 Q. What business is he in?

23 A. He's retired. He was in the coal
24 business in West Virginia and Pennsylvania. He
25 retired as a relatively young man and became an



1 investor in a number of Florida companies, also
2 owned a knitting mill at one time, and now leads a
3 happy life on a horse farm outside of Louisville.

4 Q. How did you meet William Washington?

5 A. Through Mr. Reid.

6 Q. Through Mr. Reid. And you've met him in
7 person?

8 A. Oh, surely. Many times.

9 Q. Now am I correct that Mr. Washington was
10 also not in a position to provide funding for this
11 project?

12 A. That would be my understanding.

13 Q. Now there came a point in time, I take
14 it, that you and Mr. Reid and Mr. Washington and Mr.
15 Greenberg came together, had a meeting of the minds
16 about going forward with an application?

17 A. And a meeting in person also.

18 Q. At which you had a meeting of the minds?

19 A. Yes.

20 Q. And documents were drafted; is that
21 correct?

22 A. Yes.

23 Q. Now, for example, Articles of
24 Incorporation were prepared, did you prepare those?

25 A. No.



1 Q. Were they prepared by someone in the law
2 firm that you were with?

3 A. No.

4 Q. Because I was thinking perhaps Grossman
5 and Roth?

6 A. No. Nobody there would know how to do
7 Articles of Incorporation. They're medical
8 malpractice lawyers. In fact, I never prepared
9 Articles of Incorporation.

10 Q. Do you know who prepared these?

11 A. Well, someone at Leibowitz and Spencer.

12 Q. I take it that your answer would be the
13 same about the bylaws?

14 A. Yes.

15 Q. They were not prepared by you?

16 A. Correct.

17 Q. And your answer would be the same about
18 the various shareholder agreements and option
19 agreements?

20 A. That's correct.

21 Q. You prepared none of those?

22 A. Correct.

23 Q. Now how was it decided that Mr. Reid
24 would be the holder of all of the voting stock of
25 the corporation that was going to file the



1 application?

2 A. The first discussion concerning how it
3 would be structured took place on my first meeting
4 with Chuck, which was at his old station which
5 was -- And I'm not sure of the technical name for a
6 station that runs over a cable, not over the air,
7 but he was kind of a one-man show when I met him,
8 which was shortly after the first conversation with
9 either Mr. Leibowitz or Mr. Belisle. I drove up to
10 Riviera Beach, Jupiter, met him in a little shopping
11 center where he had his station which was broadcast
12 over the cable, which was a labor of love for Chuck
13 Reid.

14 I talked to him about what he
15 wanted, why he was interested in this station, and
16 it was very apparent that here was a man who had
17 spent his adult life in radio who wanted a chance to
18 run a station. I was trying to get a feel from him
19 as to whether I believed he had the capacity to do
20 it, and if so, would I want to be, in essence, a
21 partner, and bring in a friend of mine to bring in
22 as partner, and I'm using the term partner loosely.

23 And I was impressed with this man,
24 and if you were there, if the judge were there, you
25 would have been impressed with him, too. He was in



1 an operation that was doomed, couldn't possibly make
2 money, was a labor of love for him. He was serving
3 the black community, selling ads, incredibly cheap
4 rates, trying to make a go of it in a place --
5 because it was on cable you couldn't get the station
6 in a car radio. You couldn't get it on the
7 walkman. There's no way he could compete. I was
8 impressed by his go-gettedness.

9 I am not sure if Bill Washington
10 was there at the first meeting. I scheduled
11 subsequent meetings. I had Rod Burbridge, who was a
12 black broadcaster, come in from New Orleans. At
13 that time he was a station manager in New Orleans.
14 I had Philip Greenberg come in. We had a meeting at
15 a hotel close to here in Palm Beach County.

16 I wanted Ron Burbridge to give me
17 an idea, can this person, Chuck Reid, run a station,
18 can he be a station manager, should Philip and I,
19 particularly Philip, put money into this. When I
20 was convinced that Chuck had the stuff that it
21 takes, and Chuck said that's what he wanted to do,
22 that's the way we went ahead and did it.

23 Q. Mr. Reid could have been the manager of
24 the station without owning all the voting stock?

25 A. Right.

